(c) There is a proven reserve of 95.399 billion tonnes of coal as on 1.1.2006. Coal India Limited has taken the following steps to increase indigenous production:-

(i) 73 coal projects, including expansion/extension projects, at an estimated investment of Rs. 9920.84 crores, with an ultimate capacity of 149.185 million tonnes per year, have been sanctioned during Tenth Plan period and is being developed for increase in coal production.

(ii) improvement in equipment utilization.

(iii) timely implementation of projects.

(iv) mechanization/modernization of existing mines.

(v) all new mines being planned with mechanization

(vi) increasing productivity in both underground and open cast mines,

(vii) emergency coal production has been planned for increasing production in existing mines/projects

Further, Government has allotted 97 coal blocks to approved end users like Power, Iron and Steel.

(d) In general, the landed price of imported coal on comparable basis is higher than the domestic coal, at most places except some locations in coastal areas. Imports of coal are made mainly from Australia, South Africa, China, Indonesia and Newzealand.

Committee's recommendations for import of coal

268. SHRI MAHENDRA MOHAN: Will the Minister of COAL be pleased to state:

(a) whether it is a fact that the Committee, headed by T.L. Shankar, set up to recommend measures to meet the demand-supply gap and also to examine the current policy on captive coal mines etc. has, in the first part of its recent report, highlighted, *inter-alia,* that the country will face pronounced coal shortages over the next four years and recommended import of high grade thermal coal; and

(b) if so, the details of other major recommendations/observations made by the Committee and the action taken/proposed to be taken thereon?

THE MINISTER OF STATE IN THE MINISTRY OF COAL (DR. DASARI NARAYAN RAO): (a) Yes, Sir.

(b) The other major recommendations/observations made by the Committee are as follows:

(i) As coal shall remain India's primary source of commercial energy supply, a time bound plan to cover the entire country by regional mapping in 15 years should be prepared by Geological Survey of India, Central Mine Planning and Design Institute and Ministry of Coal, Government of India.

(ii) Coal India Limited (CIL) may be granted the status of Navratna company and the subsidiaries of CIL may be granted the status of Mini Ratna companies in which case only those proposals of such a subsidiary would need Government approval wherein the capital expenditure exceeds Rs. 500 crore.

(iii) The environmental issue in respect of projects should be taken up on priority consideration by the Government.

(iv) Planned imports of coal needs to be encouraged.

(v) Increasing proportion of all domestic coal that is not earmarked for Power Sector be brought into auction market over the next 2 to 3 years.

(vi) The current system of linkages feeding the power sector may be replaced with formal long term Fuel Supply and Transport Agreements that include the Railways.

(vii) The procedures and processes need to be streamlined to expedite the allotment of the captive coal blocks in a transparent and effective manner.

(viii) All possible legal measures should be evolved to cancel the licenses issues earlier if the allottee has not taken adequate steps to bring the allotted mines to production or in setting up the end use units.

(ix) Coal price would need to be regulated in light of the market realities. The regulation of coal price has to be differentiate the pricing of coal for power generation since it consumes 80% of

the domestic production and the quality of coal it consumes is not easily saleable to the steel and cement sectors.

(x) The Railway tariff for coal should be subject to a detailed review by an independent agency, preferably headed by a High/Supreme Court Judge.

(xi) The Railways should in consultation with Planning Commission and the Ministries of Coal and Power determine the main corridors through which coal would move in very large quantities to power plants and examine the cost an feasibility of setting up dedicated truck-routes for coal transport.

Action taken/proposed to be taken by the Government are:

1. e-aucation has been introduced in CIL during the year 2005-06. It was decided initially to sell 10 million tonnes of coal by CIL subsidiaries through e-marketing for the year 2005-06 on trial basis, which was subsequently enhanced to 20 million tones. During the year 2006-07, the Government has allowed CIL to sell 36 million tonnes of coal through E-marketing.

2. The matter of granting status of Navratna to CIL and Mini Ratna Status to CIL subsidiaries is under consideration of Ministry of Coal.

3. Under 'Increasing production through Emergency Coal Production Plan' scheme, CIL has identified 16 opencast projects/mines where production from existing mines/projects will be enhanced to a higher level yielding additional 71.3 Mt. by 2012-13. Out of 16 projects, 14 projects have been approved by the Govt./coal companies and two projects are in the process of approval.

4. CMPDI has been advised to enhance drilling capacity through outsourcing.

5. Action for dereservation of some coal blocks in favour of power sector and other has been initiated.

6. For promotion of Clean Coal Technologies action has been initiated with cooperation of Indo-US Working Group, Indo-EU Working Group and Asia Pacific Partnership etc.